

Opening Statement of the Honorable Fred Upton
Subcommittee on Energy
“The Shifting Geopolitics of Oil and Gas”
June 26, 2017

(As prepared for delivery)

Good afternoon, and welcome to this Energy Subcommittee hearing on the shifting geopolitics of oil and gas. This hearing is especially timely, because here in Washington DC, energy ministers and CEOs are gathering for the 27th World Gas Conference to examine important opportunities and energy trends happening across the world. While it’s an international conference, the United States’ growing role as a world leader in energy is sure to be in focus.

Before we arrived to this current era of energy abundance, some of you may remember that as little as a decade ago, America’s energy landscape was in a much different state than it is today. In 2005, American domestic oil and gas production was declining and the country reached a point of peak reliance on foreign sources of energy. At that time, we were importing eight times more energy than we were exporting and we were becoming increasingly dependent on OPEC nations for our energy needs.

It was right around this time that important technological breakthroughs pioneered by American companies, namely horizontal drilling and hydraulic fracturing, dramatically altered our energy outlook. These technological breakthroughs led to a surge in domestic oil and gas production, decreasing U.S. reliance on energy imports.

Fast forward to today, and we see that this trend has not slowed down. In fact, the Energy Information Administration projects that by 2022 the United States will become a net energy exporter for the first time in over half a century.

It should be noted that America’s emergence as a major energy supplier to the world is thanks, in part, to Congress lifting the 40-year-old crude oil export ban in 2015. Removing this ban has enabled our companies to take advantage of global energy markets and has resulted in more American jobs, a stronger economy, lower emissions, and is helping to reduce our trade deficit.

The national security and energy security benefits provided by the shale energy revolution cannot be overstated. Every day we are less dependent on foreign

nations and cartels, such as OPEC, to meet our domestic energy needs. Instead, we are now employing American workers and American technologies to harness our own abundant domestic resources in a way that is growing the economy, protecting the environment, and improving our energy security.

Today, we are holding this hearing to take a closer look at how the United States growing role as a global energy leader is benefiting consumers and enhancing the nation's standing on the geopolitical world stage. To provide insight on these topics, we have a panel of four witnesses with extensive experience working in and around the U.S. oil and gas industry. As part of today's panel we have Dr. Daniel Yergin, a Pulitzer-prize winning author and a world renown energy expert. Dr. Yergin is joined by Mr. Harold Hamm, the CEO of Continental Resources which is a highly successful oil exploration and production company that he himself founded. We also have Mr. Dennis Arriola, the Chief Strategy Officer for Sempra Energy, a Fortune 500 energy services company that serves 40 million consumers around the world. And rounding out the lineup, we have Dr. Kevin Kennedy, a Deputy Director at the World Resources Institute, a global research organization that spans more than 50 countries and focuses on the nexus of environment, economic opportunity, and human well-being.

I'd like to thank each of these witnesses for joining us and I look forward to their thoughts on what the future holds for the U.S. energy sector.